

**LONDON INTERNET EXCHANGE LIMITED**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION**

**Directors**

Mr M A Blanche  
Mr L M Hetherington  
Mr T S A Lahtinen  
Mr S P Woodhead (resigned 6 May 2020)  
Mr S Wright  
Mr M S A Hutty  
Mr K E J Lindqvist  
Mr R Petrie  
Mr N McRae  
Mr P Knook  
Mr M Holt (appointed 1 January 2020)  
Mr P R Stevens (appointed 6 May 2020)

**Company secretary**

Ms B Dube

**Registered number**

03137929

**Registered office**

Trinity Court  
Trinity Street, Priestgate  
Peterborough  
Cambridgeshire  
PE1 1DA

**Independent auditors**

Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

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**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Introduction**

The company is a membership organisation whose principal activities are to provide Internet Exchange Points for the mutual benefit of its members, to promote the interests of its members and to represent its members in matters of public interest.

**Business review**

The Directors consider that during the 2020 financial year the company has maintained a high level of performance, despite the worldwide effects of COVID-19.

The company benefits from a generating a high proportion of its revenues from recurring sales. Moreover, our services support a market sector – Internet communications – which has experienced substantially increased demand as a result of the restrictions imposed to combat the COVID-19 pandemic. The directors consider that the combination of these factors provides the company with a very high level of structural financial resilience to COVID-19 and other threats of like nature.

The outcome of 2020 demonstrated that the directors' confidence was justified. Connected capacity, as in the previous year, grew by over 19% to almost 37Tb/s (31Tb/s; 2019). Performance results were also high across other operational measurement metrics, with network availability consistently exceeding 99.99% (99.99%; 2019) and member satisfaction statistics remained very positive.

The net financial result showed that the cost savings from restricted operations more than offset the shortfall in our expected revenues, with a £1.2M net surplus being recorded. The demand for our services remained strong, and a high degree of operational capability was still achieved with staff working remotely.

Our staff have worked predominantly on a remote basis, and this pattern of work became more established and effective as the year progressed. The use of remote meeting applications has allowed teams to keep in touch with each other, both visually and verbally, and stay productive.

We remain optimistic about the future and have continued the trend of reducing our service prices at the beginning of the year. This was done at the beginning of 2020, and a further 10% reduction in our prices was introduced at the beginning of 2021.

We were pleased with the success of a promotion we ran in 2020 in generating new sales and, if conditions are favourable, would consider further such promotions in the future.

The start of 2021 has followed expectations with the January 2021 price reductions being absorbed, resulting in a year-to-date break-even position. We plan to make a small surplus for the complete 2021 financial year.

Our available cash reserves remained strong, and at a marginally higher level than at the end of 2019. This healthy position leaves us well placed to overcome challenging trading conditions, at the same time as investing in upcoming technology advancements.

**Governance**

The company board consists of the independent Non-Executive Chairman, six Elected Non-Executive Directors, and four Executive Directors. The Board is committed to maintaining high standards of corporate governance and has established policies and procedures appropriate to the size and nature of the company. During 2020 the following changes to the composition of the Board took place:

- Simon Woodhead resigned as a Non-Executive Director on 6 May 2020
- Peter Stevens was elected as a Non-Executive Director on 6 May 2020

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Principal risks and uncertainties**

The business regularly reviews a wide range of risk factors across all areas of the business. A comprehensive risk register, that encompasses both operational and financial risks, is regularly updated and discussed at a senior management level.

The business sector in which the company resides is very competitive. It is rewarding that in such a challenging environment our membership continued to grow with 88 new member applications received during 2020 (95; 2019). Our membership totalled 880 at the end of the year (842; 2019), and they were widespread across 81 countries.

The competitive interconnection business sector continues to put pressure on our prices. Taking this into account, and despite significant price reductions, we returned very good financial results which were considerably better than the membership approved budget. This good result was underlined by the continuing demand for our largest capacity 100Gb/s ports with 75 new ports added during the year. The enduring demand enabled us to start 2021 in a strong position, with an additional 12 sold 100G/bs ports awaiting installation.

Providing excellent levels of service is an important factor in retaining existing, and gaining new revenue streams. Our network availability and resilience remained very high and our close relationship with our members enabled us to satisfy their demands, with resulting positive feedback in our membership surveys.

The ongoing consequences of COVID-19 have affected a considerable percentage of the worldwide population and businesses. The positive impact of vaccination programmes is slowing the spread of the virus, but the negative financial impact of the pandemic will continue for a considerable period of time, while high unemployment levels remain, and governments seek to balance their stretched budgets by increasing taxation. The company has proven highly resilient to the impact of COVID-19 in the short term, and believes the demand for its services will remain strong, and that any adverse short-term financial impact will not materially affect the business. However, in the medium to long term we may see an increase in churn as some of our members, and prospects, have their ability to withstand this difficult period tested. Moreover, the company makes significant use of business travel and industry conferences and events to generate new sales. Prolongation of restrictions on these activities might tend to slow growth in the longer term.

**Financial key performance indicators**

We have continued with our strategy of price reductions to maintain competitiveness and sustain demand. Despite the current difficult trading conditions affecting our ability to capture new business, taken together with the 15% price reductions at the beginning 2020, we still managed to limit the impact to a small a 2.3% fall in revenue compared to 2019.

During the year our ability to operate normally was severely impacted. Marketing and member event activities were effectively suspended, and staff worked from their homes for much of the year. The significantly altered working patterns was a major contributor to our overall costs being 13% lower than the previous year. We continue to focus on effectively managing our expenditure, and this will remain the case as we exit from the lockdown status and resume a business-as-usual approach towards activities.

The net result of a surplus of £1.2M compares to a £0.5M deficit in 2019. In the circumstances the 2020 result was excellent and exceeded our pre COVID-19 expectations by 50%. We expect 2021 will be another difficult year to predict with normal operations only likely to recommence in the second half of the year. Our latest forecast is that we will make a small surplus in 2021.

The directors consider that they continue to maintain an appropriate balance in retaining a strong financial position alongside a policy of reducing prices. Despite the effects of the worldwide pandemic this approach is still vindicated by a continuing inflow of new members, the growth in provided services and the membership endorsed policy of continuing to reduce prices.

**LONDON INTERNET EXCHANGE LIMITED**  
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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Other key performance indicators**

Connected capacity at LINX again grew during the year (up by 19%), as did membership (up by 4%). The number of members at the end of 2020 was 880 (2019; 842). The percentage growth in member numbers is small. However, a positive number in the difficult circumstances still supports the continuing and growing interest in our services and the new peering opportunities offered by a larger membership base. This in turn supports the rationale for our principal activities.

LINX remains one of the largest and most important Internet Exchanges in the world, with exchange locations in England, Scotland, Wales and the USA. Additionally, we are hoping to finalise in 2021 the expansion of our support services to new internet exchanges in Saudia Arabia, following the successful launch of these services in 2019.

LINX's reach is wide and in our services sector we are a very significant player. We continue to attract new worldwide members who are based in Europe, the Middle East, Asia, Africa, the Americas and Australasia. The London Internet Exchange is a group of four companies. London Internet Exchange Ltd, established in 1994, (LINX) and London Internet Exchange Trading Ltd, established in 2013, (LINX Trading) are the two UK companies in the group in respect of which audited accounts are filed at Companies House.

The group also comprises two overseas companies: LINX USA Inc and LINX America Inc. LINX USA was established in 2013 as the operational vehicle for LINX NoVA, our internet exchange point in North Virginia, and LINX America was established in 2014 to support the promotion of LINX NoVA. The results of these companies are included in this consolidated report and accompanying financial statements.

This report therefore covers both LINX and the consolidation of the group as a whole. This report was approved by the board on 21 Apr 2021 and signed on its behalf.

*Kurt Erik Lindqvist*

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*K Lindqvist (Apr 27, 2021, 7:24am)*  
**Mr K E J Lindqvist**  
Director

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

**Directors**

The directors who served during the year were:

Mr M A Blanche  
Mr L M Hetherington  
Mr T S A Lahtinen  
Mr S P Woodhead (resigned 6 May 2020)  
Mr S Wright  
Mr M S A Hutton  
Mr K E J Lindqvist  
Mr R Petrie  
Mr N McRae  
Mr P Knook  
Mr M Holt (appointed 1 January 2020)  
Mr P R Stevens (appointed 6 May 2020)

**Results and dividends**

The surplus for the year, after taxation, amounted to £1,272,457 (2019 - deficit £484,336).

**Future developments**

Future developments are covered in the Strategic Report.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the surplus or deficit of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

There were no post balance sheet events for the year ended 31 December 2020.

**Auditors**

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 Apr 2021 and signed on its behalf.

*Kurt Erik Lindqvist*

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**Mr K E J Lindqvist**  
Director



**LONDON INTERNET EXCHANGE LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED**

**Opinion**

We have audited the financial statements of London Internet Exchange Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**LONDON INTERNET EXCHANGE LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED**  
**(CONTINUED)**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED**  
**(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and industry regulations including GDPR, employment law and health and safety.

We communicated the identified laws and regulations with the audit team and remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

-agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiries of management including those responsible for key regulations;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

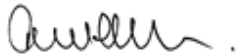
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED**  
**(CONTINUED)**

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date: 27 April 2021

**LONDON INTERNET EXCHANGE LIMITED**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	14,882,143	15,185,614
Cost of sales		(3,437,706)	(4,073,402)
<b>Gross profit</b>		<u>11,444,437</u>	<u>11,112,212</u>
Administrative expenses		(10,216,615)	(11,732,975)
Other operating income	5	36,984	104,151
<b>Operating profit/(loss)</b>	6	<u>1,264,806</u>	<u>(516,612)</u>
Interest receivable and similar income	10	23,107	48,805
<b>Profit/(loss) before tax</b>		<u>1,287,913</u>	<u>(467,807)</u>
Tax on profit/(loss)	11	(15,456)	(16,529)
<b>Profit/(loss) after tax</b>		<u><u>1,272,457</u></u>	<u><u>(484,336)</u></u>
Retained earnings at the beginning of the year		11,487,455	11,971,791
Surplus/(deficit) for the year attributable to the owners of the parent		1,272,457	(484,336)
<b>Retained earnings at the end of the year</b>		<u><u>12,759,912</u></u>	<u><u>11,487,455</u></u>

The notes on pages 18 to 32 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED

(A Company Limited by Guarantee)

REGISTERED NUMBER:03137929

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	12	3,434,376	3,594,692
		<u>3,434,376</u>	<u>3,594,692</u>
<b>Current assets</b>			
Debtors due within 1 year	14	2,951,162	1,798,876
Cash at bank and in hand	15	8,004,283	7,772,806
		<u>10,955,445</u>	<u>9,571,682</u>
Creditors: amounts falling due within one year	16	(1,617,951)	(1,674,935)
<b>Net current assets</b>		<u>9,337,494</u>	<u>7,896,747</u>
<b>Total assets less current liabilities</b>		<u>12,771,870</u>	<u>11,491,439</u>
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u><u>12,771,870</u></u>	<u><u>11,491,439</u></u>
<b>Capital and reserves</b>			
Foreign exchange reserve	18	11,958	3,984
Profit and loss account	18	12,759,912	11,487,455
		<u>12,771,870</u>	<u>11,491,439</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 Apr 2021

Kurt Erik Lindqvist

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**Mr. K. E. J. Lindqvist**  
 Director

The notes on pages 18 to 32 form part of these financial statements.

**LONDON INTERNET EXCHANGE LIMITED**

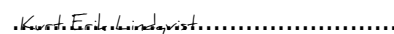
(A Company Limited by Guarantee)

REGISTERED NUMBER: 03137929

**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Note		2020 £	2019 £
<b>Fixed assets</b>				
Tangible assets	12		3,290,914	3,569,635
Investments	13		1	1
			3,290,915	3,569,636
<b>Current assets</b>				
Debtors: amounts falling due within one year	14	3,917,787	2,651,943	
Cash at bank and in hand	15	7,429,779	7,029,807	
		11,347,566	9,681,750	
Creditors: amounts falling due within one year	16	(1,416,569)	(1,450,060)	
<b>Net current assets</b>			9,930,997	8,231,690
<b>Total assets less current liabilities</b>			13,221,912	11,801,326
<b>Net assets</b>			13,221,912	11,801,326
<b>Capital and reserves</b>				
Profit and loss account brought forward	18	11,801,326	12,221,098	
Profit/(loss) for the year		1,420,586	(419,772)	
Profit and loss account carried forward			13,221,912	11,801,326
			13,221,912	11,801,326

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
21 Apr 2021

  
**Mr K E J Lindqvist**  
 Director (Apr 28, 2021, 1:14pm)

The notes on pages 18 to 32 form part of these financial statements.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	3,984	11,487,455	11,491,439
<b>Comprehensive income for the year</b>			
Surplus for the year	-	1,272,457	1,272,457
Currency translation differences	7,974	-	7,974
<b>Other comprehensive income for the year</b>	7,974	-	7,974
<b>Total comprehensive income for the year</b>	7,974	1,272,457	1,280,431
<b>At 31 December 2020</b>	<b>11,958</b>	<b>12,759,912</b>	<b>12,771,870</b>

The notes on pages 18 to 32 form part of these financial statements.



**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	-	11,971,791	11,971,791
<b>Comprehensive income for the year</b>			
(Deficit) for the year	-	(484,336)	(484,336)
Currency translation differences	3,984	-	3,984
<b>Total comprehensive income for the year</b>	<u>3,984</u>	<u>(484,336)</u>	<u>(480,352)</u>
<b>At 31 December 2019</b>	<u><u>3,984</u></u>	<u><u>11,487,455</u></u>	<u><u>11,491,439</u></u>

The notes on pages 18 to 32 form part of these financial statements.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Profit and loss account £	Total equity £
At 1 January 2020	11,801,326	11,801,326
<b>Comprehensive income for the year</b>		
Surplus for the year	1,420,586	1,420,586
	<u>1,420,586</u>	<u>1,420,586</u>
<b>Total comprehensive income for the year</b>		
	<u>13,221,912</u>	<u>13,221,912</u>
<b>At 31 December 2020</b>	<u><u>13,221,912</u></u>	<u><u>13,221,912</u></u>

The notes on pages 18 to 32 form part of these financial statements.

**LONDON INTERNET EXCHANGE LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Profit and loss account £	Total equity £
At 1 January 2019	12,221,098	12,221,098
<b>Comprehensive income for the year</b> (Deficit) for the year	(419,772)	(419,772)
<b>Total comprehensive income for the year</b>	<u>(419,772)</u>	<u>(419,772)</u>
<b>At 31 December 2019</b>	<u>11,801,326</u>	<u>11,801,326</u>

The notes on pages 18 to 32 form part of these financial statements.

**LONDON INTERNET EXCHANGE LIMITED**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the financial year	1,272,457	(484,336)
<b>Adjustments for:</b>		
Depreciation of tangible assets	2,287,716	2,863,194
Interest received	(23,107)	(48,805)
Taxation charge	15,456	16,529
(Increase)/decrease in debtors	(1,152,286)	950,887
(Decrease)/increase in creditors	(56,984)	85,159
Corporation tax (paid)	(7,482)	(16,703)
<b>Net cash generated from operating activities</b>	2,335,770	3,365,925
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,127,400)	(1,745,913)
Interest received	23,107	48,805
<b>Net cash from investing activities</b>	(2,104,293)	(1,697,108)
<b>Net increase in cash and cash equivalents</b>	231,477	1,668,817
Cash and cash equivalents at beginning of year	7,772,806	6,103,989
<b>Cash and cash equivalents at the end of year</b>	8,004,283	7,772,806
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	8,004,283	7,772,806
	8,004,283	7,772,806

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. General information**

London Internet Exchange Limited is a private company limited by guarantee, incorporated in England and Wales. Its registered office is Trinity Court, Trinity Street, Peterborough, PE1 1DA.

The company is a membership organisation whose principal activities are to provide Internet Exchange points for the mutual benefit of members, to promote the interests of members and to represent members in matters of public interest.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**2.3 Going concern**

Since the beginning of 2020 Covid-19 (the Coronavirus) has spread rapidly around the world with increasingly drastic effects on society and the economy. At the time of writing the full consequences are impossible to foresee, while the general effects on the economy and society are negative. The directors have considered the effects of the pandemic and whether any adjustments are required to the reported amounts in the financial statements.

The directors have considered a period of at least twelve months from approval of these financial statements in their assessment. The directors consider that the short-term financial impact on LINX's business is likely to be minimal and the resources available to the company will be sufficient for it to be able to continue as a going concern. However, there is a high level of uncertainty about how long the restrictions will last and the level of demand once the restrictions have ended which could affect this assessment.

Accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the company was not able to continue as a going concern.

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Income and Retained Earnings within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Interest income**

Interest income is recognised in the Consolidated Statement of Income and Retained Earnings using the effective interest method.

**2.8 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.9 Taxation**

Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.10 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 5 years straight line
Plant and machinery	- 3-4 years straight line
Computer equipment	- 2-4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short term creditors are measured at the transaction price.



**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.15 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Income and Retained Earnings.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors have adopted a prudent view and consider the depreciation of fixed assets and accruals to be a critical estimate and judgement applicable to the financial statements.

**4. Turnover**

The whole of the turnover is attributable to the one principal activity of the group. The analysis of income provided has been derived from the Group's accounting records and as such represents the invoicing address of the member. Were income to be analysed based on the operating location of the members it would provide an alternate analysis which would be in line with the continued global expansion referred to in the Strategic Report.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	8,364,839	8,557,490
Rest of Europe	3,755,035	4,669,815
Rest of the world	2,762,269	1,958,309
	<u>14,882,143</u>	<u>15,185,614</u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Other operating income**

	2020 £	2019 £
Rents receivable	36,984	104,151
	<u>36,984</u>	<u>104,151</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	2,279,531	2,863,194
Exchange differences	35,091	97,332
Other operating lease rentals	451,449	415,960
Share based payment	387,535	333,917
	<u>3,133,506</u>	<u>3,690,403</u>

**7. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	10,300	10,000
	<u>10,300</u>	<u>10,000</u>

**Fees payable to the Group's auditor and its associates in respect of:**

The auditing of accounts of associates of the group pursuant to legislation	4,900	4,500
Accountancy services	2,320	2,500
Taxation compliance services	1,580	1,500
	<u>8,800</u>	<u>8,500</u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,757,243	4,609,188	4,702,935	4,398,817
Social security costs	526,808	497,581	523,272	494,190
Cost of defined contribution scheme	387,535	333,917	373,630	326,899
	<u>5,671,586</u>	<u>5,440,686</u>	<u>5,599,837</u>	<u>5,219,906</u>

The senior management team and executive directors are considered to be key management personnel. Total remuneration in respect of these individuals is £1,003,844 (2019: £935,372).

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Administrative staff	56	57	55	57
Management staff	7	7	7	7
	<u>63</u>	<u>64</u>	<u>62</u>	<u>64</u>

**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	885,867	867,050
Directors pension costs - defined contrib'n sch.	62,433	54,620
	<u>948,300</u>	<u>921,670</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £242,460 (2019 - £240,881).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,917 (2019 - £12,375).

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. Interest receivable**

	2020 £	2019 £
Other interest receivable	23,107	48,805
	23,107	48,805
	23,107	48,805

**11. Taxation**

	2020 £	2019 £
<b>Foreign tax</b>		
Foreign tax on income for the year	15,456	16,529
<b>Total current tax</b>	15,456	16,529
	15,456	16,529
<b>Taxation on profit on ordinary activities</b>	15,456	16,529
	15,456	16,529

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	1,287,913	(467,807)
	1,287,913	(467,807)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	244,703	(88,883)
<b>Effects of:</b>		
Amounts not subject to corporation tax	(229,247)	105,412
<b>Total tax charge for the year</b>	15,456	16,529
	15,456	16,529

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Tangible fixed assets**

**Group**

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2020	798,385	22,224,358	567,490	23,590,233
Additions	-	2,092,593	34,807	2,127,400
At 31 December 2020	<u>798,385</u>	<u>24,316,951</u>	<u>602,297</u>	<u>25,717,633</u>
<b>Depreciation</b>				
At 1 January 2020	660,851	18,835,498	499,192	19,995,541
Charge for the year on owned assets	85,022	2,172,066	22,443	2,279,531
Exchange adjustments	-	8,185	-	8,185
At 31 December 2020	<u>745,873</u>	<u>21,015,749</u>	<u>521,635</u>	<u>22,283,257</u>
<b>Net book value</b>				
At 31 December 2020	<u><u>52,512</u></u>	<u><u>3,301,202</u></u>	<u><u>80,662</u></u>	<u><u>3,434,376</u></u>
At 31 December 2019	<u><u>137,534</u></u>	<u><u>3,388,860</u></u>	<u><u>68,298</u></u>	<u><u>3,594,692</u></u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Tangible fixed assets (continued)**

**Company**

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2020	798,385	21,914,966	567,490	23,280,841
Additions	-	1,952,684	34,807	1,987,491
At 31 December 2020	<u>798,385</u>	<u>23,867,650</u>	<u>602,297</u>	<u>25,268,332</u>
<b>Depreciation</b>				
At 1 January 2020	660,851	18,551,163	499,192	19,711,206
Charge for the year on owned assets	85,022	2,158,747	22,443	2,266,212
At 31 December 2020	<u>745,873</u>	<u>20,709,910</u>	<u>521,635</u>	<u>21,977,418</u>
<b>Net book value</b>				
At 31 December 2020	<u>52,512</u>	<u>3,157,740</u>	<u>80,662</u>	<u>3,290,914</u>
At 31 December 2019	<u>137,534</u>	<u>3,363,803</u>	<u>68,298</u>	<u>3,569,635</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Land and buildings	52,512	137,534
	<u>52,512</u>	<u>137,534</u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	1
At 31 December 2020	1

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
London Internet Exchange Trading Limited	Ordinary	100%
LINX USA Incorporated	Ordinary	-%
LINX America Incorporated	Ordinary	-%

The balances and transactions of LINX USA Incorporated have been included in the consolidated financial statements by virtue of the fact that the sole member of LINX USA Incorporated is the company's wholly owned subsidiary, London Internet Exchange Trading Limited. It is therefore deemed to be under the control of the group. LINX America is a wholly owned subsidiary of London Internet Exchange Trading Limited.

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
London Internet Exchange Trading Limited	(139,713)	(28,211)
LINX USA Incorporated	(152,483)	(19,920)
LINX America Incorporated	(157,953)	(92,130)

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	788,049	136,754	559,022	128,101
Amounts owed by group undertakings	-	-	1,365,497	999,696
Other debtors	22,576	66,753	19,387	14,076
Prepayments and accrued income	2,140,537	1,595,369	1,973,881	1,510,070
	<u>2,951,162</u>	<u>1,798,876</u>	<u>3,917,787</u>	<u>2,651,943</u>

**15. Cash and cash equivalents**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	8,004,283	7,772,806	7,429,779	7,029,807
	<u>8,004,283</u>	<u>7,772,806</u>	<u>7,429,779</u>	<u>7,029,807</u>

**16. Creditors: Amounts falling due within one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	483,298	638,007	473,156	627,190
Amounts owed to group undertakings	-	-	4,982	-
Corporation tax	2,826	2,826	1,826	1,826
Other taxation and social security	242,041	272,787	242,041	203,838
Other creditors	75,815	179,799	39,444	39,440
Accruals and deferred income	813,971	581,516	655,120	577,766
	<u>1,617,951</u>	<u>1,674,935</u>	<u>1,416,569</u>	<u>1,450,060</u>



**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Financial instruments**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	8,004,283	7,772,806	7,429,779	7,029,807
Financial assets that are debt instruments measured at amortised cost	810,625	112,676	1,943,906	1,051,042
	<u>8,814,908</u>	<u>7,885,482</u>	<u>9,373,685</u>	<u>8,080,849</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(1,373,084)</u>	<u>(1,325,560)</u>	<u>(1,172,702)</u>	<u>(1,174,383)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

**18. Reserves**

**Foreign exchange reserve**

Represents accumulated foreign exchange differences arising from the consolidation of wholly owned foreign subsidiaries during the period and prior periods.

**Profit and loss account**

The company's sole reserve is the income and expenditure account, this represents accumulated comprehensive income of the year and prior periods.

**19. Analysis of net debt**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	7,772,806	231,477	8,004,283
	-	-	-
	<u>7,772,806</u>	<u>231,477</u>	<u>8,004,283</u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Company status**

The members' liability is limited. Every member of the group undertakes to contribute to the assets of the group in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payments of the debts and liabilities of the group contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such and for the amount as may be required not exceeding one pound.

**21. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £387,535 (2019 - £333,917). Contributions totalling £223,303 (2019 - £120,308) were payable to the fund at the balance sheet date and are included in creditors.

**22. Commitments under operating leases**

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	322,688	384,797	322,688	384,797
Later than 1 year and not later than 5 years	374,140	507,408	374,140	507,408
	<u>696,828</u>	<u>892,205</u>	<u>696,828</u>	<u>892,205</u>

**LONDON INTERNET EXCHANGE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. Related party transactions**

During the year transactions took place with Netconnex Broadband Limited, a company in which director Mr T S A Lahtinen has a significant interest. Sales to Netconnex Broadband Limited totalled £4,755 (2019 - £4,992). At the balance sheet date there were no amounts outstanding (2019 - £Nil) from Netconnex Broadband Limited.

During the year transactions took place with Clear Connect Limited, a company in which director Mr S Wright has a significant interest. Purchases from Clear Connect Limited totalled £20,187 (2019 - £15,948). At the balance sheet date there were no amounts outstanding (2019 - £Nil) with Clear Connect Limited.

During the year transactions took place with 4D Data Centres Limited, a company in which director Mr S Wright has a significant interest. Sales to 4D Data Centres Limited totalled £7,800 (2019 - £Nil). At the balance sheet date there were no amounts outstanding (2019 - £Nil) with 4D Data Centres Limited.

During the year transactions took place with Simwood eSMS Limited, a company in which director Mr S P Woodhead has a significant interest. Purchases from Simwood eSMS Limited totalled £18,173 (2019 - £55,255). At the balance sheet date there were no amounts outstanding (2019 - £Nil) from to eSMS Limited. Sales to Simwood eSMS Limited totalled £11,526 (2019 - £10,966).

During the year transactions took place with Sipcentric Limited, a company in which director Mr S P Woodhead has a significant interest. Sales to Sipcentric Limited totalled £1,419 (2019 - £1,200). At the balance sheet date there were no amounts outstanding (2019 - £nil) from Sipcentric Limited.

During the year transactions took place with European Internet Exchange Association, a company in which director Mr K E J Lindqvist has a significant interest. Purchases from European Internet Exchange Association totalled 4,900 euros (2019 - £8,276). At the balance sheet date there were no amounts outstanding (2019 - £44) from European Internet Exchange Association.

During the year transactions took place with various companies within the Pulsant Group Limited, a company in which director Mr P C Knook has a significant interest. Purchases from Pulsant Group Limited totalled £13,528 (2019 - £40,426). At the balance sheet date there were no amounts outstanding (2019 - £Nil) to Pulsant Group Limited. Sales to Pulsant Group totalled £18,000 (2019 - £Nil).

During the year transactions took place with Mythic Beasts Limited, a company in which director Mr P R Stevens has a significant interest. Purchases from Mythic Beasts Limited totalled £2,627. At the balance sheet date there were no amounts outstanding to Mythic Beasts Limited. Sales to Mythic Beasts Limited totalled £13,831.